

PERSONNEL 19

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REPORT BY PANEL OF CONSULTANTS ON  
ORGANIZATION OF ECONOMIC INTELLIGENCE RESEARCH

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ORGANIZATION OF ECONOMIC INTELLIGENCE RESEARCH

The present organization of economic intelligence research in the United States government is in need of revision. The panel of consultants does not feel competent to recommend a solution; it has, however, been able to agree on the following points:

1. Primary responsibility for (a) economic intelligence research and (b) economic intelligence estimates for policy making officials of the government should be centralized in the CIA.
2. We do not mean and do not think that it would be possible or desirable for CIA to exercise a monopoly in all kinds of economic intelligence research. While the present degree of duplication of effort in this field appears excessive and wasteful, we attach great importance to maintaining in the Executive Office of the President and in the Departments enough expertness to permit critical review and scrutiny of CIA reports. Civilian departments like Agriculture and Commerce perform research services for the public and for trade and marketing associations, etc., which are unclassified and would be awkward for CIA to take over. State and the Defense Departments have research problems with economic aspects which it is impossible to factor out. Air targeting raises very special problems. We therefore foresee a continuing need for an interdepartmental committee like the EIC.
3. We suggest that the preponderant interest of the CIA in economic intelligence be recognized by giving the CIA chairman full power to make EIC decisions - of course after discussion and with all members having the right to record dissents.
4. The primary functions of the EIC should be:
  - a. To insure that all economic and related research in areas vital to national security are covered.
  - b. To organize interdepartmental research projects involving economic intelligence in the minimum number of cases where they are necessary.
  - c. To provide a forum for the discussion of economic intelligence estimates prior to their submission to the IAC.
  - d. To maintain a consolidated status report on all projects in economic and related intelligence research.
5. We believe that the EIC could benefit in the performance of the first three of these functions from consultation with an expert panel drawn from industry and the universities.
6. We think that the time may be ripe for a thorough review of the organization of all intelligence activities in the government - not merely economic intelligence - with special reference to the machinery for coordination. The inconsistent membership and overlapping responsibilities

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of such committees as the IAC and the JIC result in conflicting estimates to policy officials. We doubt whether organizational problems of this kind can be resolved by interdepartmental committees. A more promising device may be an ad hoc Commission with a majority of independent members of stature, whose recommendations would be followed by prompt executive or, if necessary, legislative action.